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EXAMINER

SUBRAMANIAN, NARAYANSWAMY

ART UNIT

PAPER NUMBER

3624

DATE MAILED: 06/04/2003

Please find below and/or attached an Office communication concerning this application or proceeding.

## Office Action Summary

Application No.

09/625,048

Applicant(s)

FISHER ET AL.

Examiner

Narayanswamy Subramanian

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

### Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
- Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

### Status

- 1) ☒ Responsive to communication(s) filed on 25 July 2000.
- 2a) ☐ This action is **FINAL**.                      2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

### Disposition of Claims

- 4) ☒ Claim(s) 1-20 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-20 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

### Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
- Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
- 11) ☐ The proposed drawing correction filed on \_\_\_\_\_ is: a) ☐ approved b) ☐ disapproved by the Examiner.
- If approved, corrected drawings are required in reply to this Office action.
- 12) ☐ The oath or declaration is objected to by the Examiner.

### Priority under 35 U.S.C. §§ 119 and 120

- 13) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All   b) ☐ Some \* c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
  - ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- \* See the attached detailed Office action for a list of the certified copies not received.
- 14) ☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. § 119(e) (to a provisional application).
- a) ☐ The translation of the foreign language provisional application has been received.
- 15) ☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. §§ 120 and/or 121.

### Attachment(s)

- 1) ☐ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☒ Information Disclosure Statement(s) (PTO-1449) Paper No(s) 5.
- 4) ☐ Interview Summary (PTO-413) Paper No(s). \_\_\_\_\_.
- 5) ☐ Notice of Informal Patent Application (PTO-152)
- 6) ☐ Other:

**DETAILED ACTION**

1. Original claims 1-20 have been examined. The rejections are stated below.

***Claim Rejections - 35 USC § 112***

2. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter, which the applicant regards as his invention.

3. Claims 1 - 13 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. Claims 1-13 are drawn to a “system for administering variable annuity contracts”. It is not clear if the term “system” refers to a “method” or an “apparatus”. Clarification is required.

***Claim Rejections - 35 USC § 103***

4. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

5. Claims 1-20 are rejected under 35 U.S.C. 103(a) as being unpatentable over Cooperstein (US Patent 5,893,071)

With reference to claims 1 and 14, Cooperstein discloses a system and method respectively for administering variable annuity contracts, said system and method comprising memory means for storing data relating to at least one variable annuity contract of a contract-owner (See Cooperstein Claim 1 and Col 2 lines 41-44) including a premium amount paid by

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said contract-owner in a first contract year, said at least one variable annuity contract having associated withdrawal charge percentages for each of a plurality of contract years (See Cooperstein Col 6 lines 26-36) and a processing means to process all information and perform all computations for administering variable annuity contracts (See Cooperstein Claim 1 and Col 2 lines 41-44). The withdrawal charge percentages vary from institution to institution and decline over the period of the contract.

Cooperstein fails to explicitly teach a bonus investment credit in the first year and an asset-based compensation percentage constant over all contract years.

Official notice is taken that bonus investment credit offered by institutions for investing in their financial products such as annuities and mutual funds is old and well known in the art. Such credits that are computed as a percentage of the investment provide an incentive for the buyers to invest in the products of the institution. The bonus investment credit percentage could be any value determined by the institution including a value greater than or less than or equal to the withdrawal charge percentage in the first year. Official notice is also taken that providing an asset-based compensation percentage constant over all contract years is old and well known in the art. Such compensation helps the institution defray the administrative costs and the annuity holder benefits from the disclosure and the fact that he/she is charged more only if the investments grow.

It would have been obvious to one with ordinary skill in the art at the time the invention was made to combine bonus investment credit in the first year and an asset-based compensation percentage constant over all contract years to the invention of Cooperstein. The combination of the disclosures taken as a whole suggests that buyers benefit from the additional investment

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provided by the bonus investment credit and the annuity holder benefits from the disclosure and the fact that he/she is charged more only if the investments grow.

With reference to claims 2 and 15, Cooperstein discloses a system and method of claims 1 and 14 respectively, wherein said data further includes a withdrawal charge percentage for said first contract year and an amount to be withdrawn from said variable annuity by said contract-owner during said first contract year; and said processing means is further configured to read said withdrawal charge percentage and said withdrawal amount from said memory means and calculate a withdrawal charge by multiplying a portion of said withdrawal amount subject to a withdrawal charge by said withdrawal charge percentage (See Cooperstein Claim 4 and Col 11 lines 24-27).

With reference to claims 3 and 16, Cooperstein discloses a system and method of claims 1 and 14 respectively, wherein said data further includes a withdrawal charge percentage for a year other than said first contract year and an amount to be withdrawn by said contract-owner during said other year; and said processing means is further configured to read said withdrawal charge percentage and said withdrawal amount from said memory means and calculate a withdrawal charge by multiplying a portion of said withdrawal amount subject to a withdrawal charge by said withdrawal charge percentage (See Cooperstein Claim 4 and Col 11 lines 24-27).

With reference to claims 4-5 and 17-18, Cooperstein discloses a system and method of claims 1 and 14 respectively as discussed above. As discussed in the official notice the asset-based compensation percentage paid to a distributor is a constant percentage of the accumulated value. At the beginning of the first year the accumulated value before investment credit is the premium paid by the contract owner. In the subsequent years the accumulated value depends the

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performance of the investments. Hence the limitations of claims 4-5 and 17-18 are inherent in the combined disclosures provided by the official notice and Cooperstein.

With reference to claims 6-7 and 19-20, Cooperstein discloses a system and method of claims 1 and 14 respectively wherein said data further includes annuity payout information and said processing means is further configured to calculate and issue payments to an annuitant based on said payout information (See Cooperstein Col 4 line 47 – Col 5 line 14) and wherein said data further includes mutual fund subaccount allocation information and said processing means is further configured to allocate said premium amount among mutual fund subaccounts based on said allocation information (See Cooperstein Col 2 lines 41-44). The allocation information and the processing means are inherent in the disclosure of Cooperstein.

With reference to claims 8-13, Cooperstein discloses a system of claim 1 as discussed above. As discussed in the official notice the bonus investment credit percentage could be any value determined by the institution including a value greater than or less than or equal to the withdrawal charge percentage in the first year and the withdrawal charge percentages vary from institution to institution and decline over the period of the contract. Hence the combined disclosures of the official notice and Cooperstein teach a system wherein said bonus investment credit percentage is 3%, in the first contract year the withdrawal charge percentage is 3%, in a second contract year following said first contract year the withdrawal charge percentage is 2%, in a third contract year following said second contract year the withdrawal charge percentage is 1%, in a fourth contract year following said third contract year the withdrawal charge percentage is 1% and in fifth and subsequent contract years following said fourth contract year the withdrawal charge percentage is 0%.

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*Conclusion*

6. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Dr. Narayanswamy Subramanian whose telephone number is (703) 305-4878. The examiner can normally be reached Monday-Thursday from 8:30 AM to 7:00 PM. If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Vincent Millin can be reached at (703) 308-1065. The fax number for Formal or Official faxes and Draft or Informal faxes to Technology Center 3600 or this Art Unit is (703) 305-7687.

Any inquiry of a general nature or relating to the status of this application should be directed to the Group receptionist whose telephone number is (703) 308-1113.

N. Subramanian  
May 29, 2003

Richard Weisberger  
Primary Examiner

